

§ 275.127 Application of surety for relief from bond.

A surety on any bond given under the provisions of this subpart may at any time in writing notify the bonded manufacturer and the regional director (compliance) that he desires, after a date named, to be relieved of liability under said bond. Such date shall be not less than 10 days after the date the notice is received by the regional director (compliance). The surety shall also file with the regional director (compliance) an acknowledgement or other proof of service on the bonded manufacturer. If such notice is not thereafter in writing withdrawn, the rights of the bonded manufacturer as supported by said bond shall be terminated on the date named in the notice, and the surety shall be relieved from liability to the extent set forth in § 275.128.

[26 FR 8196, Aug. 31, 1961. Redesignated at 40 FR 16835, Apr. 15, 1975, and amended by T.D. ATF-251, 52 FR 19341, May 22, 1987]

§ 275.128 Relief of surety from bond.

Where the surety on a bond given under the provisions of this subpart has filed application for relief from liability as provided in § 275.127, the surety shall be relieved from liability for transactions occurring wholly subsequent to the date specified in the notice, or the effective date of a new bond, if one is given.

[26 FR 8196, Aug. 31, 1961. Redesignated at 40 FR 16835, Apr. 15, 1975]

§ 275.129 Release of pledged securities.

Securities of the United States, pledged and deposited as provided in § 275.120, shall be released only in accordance with the provisions of 31 CFR part 225. Such securities will not be released by the regional director (compliance) until the liability under the bond for which they were pledged has been terminated. When the regional director (compliance) is satisfied that they may be released, he shall fix the date or dates on which a part or all of such securities may be released. At any time prior to the release of such securities, the regional director (compliance) may extend the date of release for such ad-

ditional length of time as he deems necessary.

(61 Stat. 650; 6 U.S.C. 15)

[26 FR 8196, Aug. 31, 1961. Redesignated at 40 FR 16835, Apr. 15, 1975, and amended by T.D. ATF-251, 52 FR 19341, May 22, 1987]

RELEASE OF PUERTO RICAN TOBACCO PRODUCTS AND CIGARETTE PAPERS AND TUBES FROM CUSTOMS CUSTODY, WITHOUT PAYMENT OF TAX

§ 275.135 Release from customs custody, without payment of tax.

The provisions of this section, as well as those of §§ 275.136-275.141, apply only to tobacco products, cigarette papers, and cigarette tubes brought into the United States from Puerto Rico prior to December 16, 1986. Puerto Rican tobacco products and cigarette papers and tubes may not be released from customs custody, without payment of internal revenue tax, under the provisions of § 275.101, unless the manufacturer in the United States has filed an extension of coverage of his bond in accordance with § 275.136, and obtains the release of such articles as provided in this subpart.

(72 Stat. 1418, as amended; 26 U.S.C. 5704)

[T.D. 6871, 31 FR 45, Jan. 4, 1966. Redesignated at 40 FR 16835, Apr. 15, 1975, and amended by T.D. ATF-232, 51 FR 28086, Aug. 5, 1986; T.D. ATF-243, 51 FR 43194, Dec. 1, 1986; T.D. ATF-246, 52 FR 670, Jan. 8, 1987]

§ 275.136 Extension of coverage of bond.

Every manufacturer of tobacco products in the United States who desires to obtain the release of Puerto Rican tobacco products and cigarette papers and tubes from customs custody, without payment of internal revenue tax, under his bond, and every manufacturer of cigarette papers and tubes who desires to obtain the release of Puerto Rican cigarette papers and tubes from customs custody, without payment of internal revenue tax, under his bond, shall file an extension of coverage of his bond on Form 2105 with, and receive a notice of approval from, the regional director (compliance) of the region in which his factory is located. This extension of coverage shall be executed by the principal and the surety and shall be in the following form:

Whereas, the purpose of this extension is to bind the obligors for the payment of the tax imposed by 26 U.S.C. 7652(a), on tobacco products and/or cigarette papers and tubes manufactured in Puerto Rico and released in the United States from customs custody without payment of tax, for delivery to the principal on said bond.

Now, therefore, the said bond is further specifically conditioned that the principal named therein shall pay all taxes imposed by 26 U.S.C. 7652(a) (plus penalties, if any, and interest), for which he may become liable with respect to tobacco products and/or cigarette papers and tubes manufactured in Puerto Rico which are released to him in the United States from customs custody without payment of tax thereon, and comply with all provisions of law and regulations with respect thereto.

(72 Stat. 1418, as amended; 26 U.S.C. 5704)

[T.D. 6871, 31 FR 45, Jan. 4, 1966. Redesignated at 40 FR 16835, Apr. 15, 1975, and amended by T.D. ATF-48, 44 FR 55855, Sept. 28, 1979; T.D. ATF-232, 51 FR 28086, Aug. 5, 1986; T.D. ATF-243, 51 FR 43194, Dec. 1, 1986]

§ 275.137 Notice of release.

Every manufacturer of tobacco products and cigarette papers and tubes in the United States who desires under the provisions of this subpart to obtain the release of Puerto Rican tobacco products and cigarette papers and tubes from customs custody, without payment of internal revenue tax, under his bond, shall prepare a notice of release, Form 3072, in quintuplicate, and file the five copies of the form with the regional director (compliance) for the region wherein the manufacturer is located. The regional director (compliance) will not certify Form 3072 covering the release of tobacco products and cigarette papers and tubes unless the manufacturer is authorized, under part 270 of this chapter, to receive, without payment of tax, the kinds of articles set forth in the form. After certification by the regional director (compliance), the manufacturer shall forward all five copies of the form to the shipper in Puerto Rico. The shipper in Puerto Rico shall execute part I on all copies of the form, forward four copies to the Chief, Puerto Rico Operations, and retain the remaining copy for his records. The ATF officer as-

signed to inspect the tobacco products and cigarette papers and tubes to be shipped, after determining that the shipment has been correctly described in part I, will execute part II on all four copies of the form, and will (a) present one copy to the shipper for attachment to the bill of lading to accompany the shipment (in custody of the carrier) for presentation to the district director of customs at the port of entry; (b) promptly mail two copies to the district director of customs at the port of entry in the United States; and (c) retain the remaining copy.

(72 Stat. 1418, as amended; 26 U.S.C. 5704)

[T.D. 6871, 31 FR 45, Jan. 4, 1966. Redesignated at 40 FR 16835, Apr. 15, 1975, and amended by T.D. ATF-232, 51 FR 28086, Aug. 5, 1986; T.D. ATF-243, 51 FR 43194, Dec. 1, 1986; T.D. ATF-251, 52 FR 19341, May 22, 1987; T.D. ATF-384, 61 FR 54095, Oct. 17, 1996]

§ 275.138 Action by district director of customs.

The district director of customs at the port of entry will note in part III, on the three copies of the notice of release, Form 3072, in his possession, any exceptions found, showing the numbers and marks on each shipping container from which a loss was sustained, the quantity of tobacco products or cigarette papers or tubes reported shipped in such shipping container, and the quantity of the articles lost. The district director of customs will execute the Notice of Release on each such copy of the form, release the shipment with one copy to the consignee, mail one copy to the regional director (compliance) shown on the form, and retain the remaining copy for his records.

[T.D. 6871, 31 FR 45, Jan. 4, 1966. Redesignated at 40 FR 16835, Apr. 15, 1975, and amended by T.D. ATF-232, 51 FR 28086, Aug. 5, 1986; T.D. ATF-243, 51 FR 43194, Dec. 1, 1986]

§ 275.139 Records.

Every manufacturer of tobacco products and cigarette papers and tubes in the United States who receives tobacco products or cigarette papers or tubes or Puerto Rican manufacture, without payment of internal revenue tax, under his bond, shall keep separate records of all items received, removed subject to tax, removed for tax-exempt purposes,